THIRTEENTH ANNUAL REPORT

CAROLINA, CLINCHFIELD AND OHIO RAILWAY

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FOR THE FISCAL YEAR ENDED

December 31, 1923

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AUG 31 1927 Y MR GIFT REQUEST

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THIRTEENTH ANNUAL REPORT

New York, May 1, 1924.

To the Stockholders of

Carolina, Clinchfield and Ohio Railway:

The Thirteenth Annual Report of the Board of Directors, for the fiscal year ended December 31, 1923, is submitted herewith.

MILEAGE

		Miles
Main line: Elkhorn City, Ky., to North Carolina-South Carolina State Line..		258 76
Branch lines: Carbo, Va., to Wilder, Va.	8 40	
Hurricane Junction, Va., to Shaft, Va.	1 20	
Bostic Yard, N. C., to Junction S. A. L. Railway.....	79	
		10 39
Trackage rights: Norfolk & Western Railway, Carbo, Va., to St. Paul, Va.	8 45	
Southern Railway, Frisco, Tenn., to Albert Yard, Va...	13 60	
		22 05
		291 20
Carolina, Clinchfield and Ohio Railway of South Carolina owns and operates...		18 09
Total on which regular train service is maintained		309 29

The earnings of Carolina, Clinchfield and Ohio Railway of South Carolina are controlled by ownership of securities, and for convenience the results of the operation of the entire mileage described above are dealt with as a whole.

GENERAL RESULTS

A summary of the results of operation for the fiscal year ended December 31, 1923, is shown below:

Operating Revenues		$9,257,319 39
Operating Expenses		6,653,392 20
Net Revenue from Railway Operations		$2,603,927 19
Railway Tax Accruals	$600,000 00	
Uncollectible Railway Revenues	1,947 27	601,947 27
Railway Operating Income		$2,001,979 92
Hire of Equipment	$728,474 29	
Joint Facility Rents ... *Dr.*	*21,309 27*	707,165 02
Net Railway Operating Income		$2,709,144 94
Non-operating Income		171,144 20
Gross Income		$2,880,289 14
Interest on Funded Debt and other deductions from Income		1,570,411 25
Net Income (exclusive of interest on Income Debentures)		$1,309,877 89
Interest on Income Debentures		300,000 00
Income carried to Profit and Loss		$1,009,877 89

OPERATING REVENUES

MERCHANDISE FREIGHT OTHER THAN COAL

The revenue from transportation of merchandise freight amounted to $3,595,294.33, being an increase of $1,036,934.67, as compared with the previous year.

The tonnage moved was 2,641,555 tons, an increase of 874,062 tons.

The number of tons carried one mile amounted to 317,562,389, an increase of 115,169,663 ton-miles, or 56.90 per cent.

The average haul increased from 114.51 to 120.22 miles, an increase of 5.71 miles.

The proportion of gross revenue derived from the transportation of merchandise freight was 38.84 per cent., an increase of 5.22 per cent.

COAL FREIGHT

From transportation of coal there was derived the sum of $4,934,252.58, an increase of $519,569.61, as compared with the previous year.

The coal tonnage transported amounted to 4,302,869 tons, an increase of 479,647 tons.

The number of tons carried one mile amounted to 733,090,800, an increase of 80,967,473 ton-miles, or 12.42 per cent.

The average haul decreased from 170.57 to 170.37 miles, a decrease of .20 mile.

The proportion of gross revenue derived from the transportation of coal freight was 53.30 per cent., a decrease of 4.73 per cent.

ENTIRE FREIGHT TRAFFIC

The total freight revenue derived was $8,529,546.91, an increase of $1,556,504.28, as compared with the previous year.

Combining merchandise and coal, the entire freight traffic amounted to 6,944,424 tons, an increase of 1,353,709 tons.

The number of tons carried one mile was 1,050,653,189, an increase of 196,137,136 ton-miles, or 22.95 per cent.

The average distance carried was 151.29 miles, a decrease of 1.56 miles.

The average revenue per ton was 122.83 cents, a decrease of 1.90 cents.

The total freight train mileage was 914,037 (which includes proportions of mixed-train and special-train miles), an increase of 181,563.

The average train load of revenue freight was 1,149.46 tons, a decrease of 17.16 tons.

The average number of tons of revenue freight in each loaded car was 36.16, a decrease of 2.91 tons.

In addition to the above tonnage, the company's freight amounted to 292,796 tons, an increase of 73,137 tons.

PASSENGER TRAFFIC

From passenger traffic, the revenue derived was $551,330.64, an increase of $68,961.45.

The number of passengers carried was 606,507, an increase of 32,386.

The number of passengers carried one mile was 15,742,298, an increase of 2,052,432, or 14.99 per cent.

The average distance traveled by each passenger was 25.96 miles, an increase of 2.12 miles.

The average revenue paid by each passenger was 90.90 cents, an increase of 6.88 cents.

Passenger train mileage was 343,550 (which includes motor-car miles and proportions of mixed-train and special train miles), an increase of 4,217.

EXPRESS REVENUE

Express revenue amounted to $56,737.47, a decrease of $4,570.68, as compared with the previous year.

MAIL REVENUE

The revenue derived from carrying United States mail was $39,051.31, a decrease of $386.27, as compared with the previous year.

MISCELLANEOUS REVENUE

This consists of revenue derived from chartered trains, other passenger train revenue, switching revenue, station and train privileges, storage on freight and baggage, car service, telegraph service, rents of buildings and property, and miscellaneous, and amounts to $80,653.06, an increase of $28,208.45.

OPERATING EXPENSES

MAINTENANCE OF WAY

The expenditures for maintenance of way and structures amounted to $942,975.04, or $3,048.84 per mile operated, as compared with $890,358.58, or $2,976.89 per mile operated, for the previous year, an increase of 5.91 per cent.

MAINTENANCE OF EQUIPMENT

The total expense for maintenance of equipment amounted to $2,631,854.89, an increase as compared with the previous year of $1,010,222.95, or 62.30 per cent. The changes in equipment and the unit costs of maintenance are fully shown in the equipment list shown elsewhere.

TRAFFIC

The expenditures under this heading amounted to $302,807.95, an increase as compared with the previous year of $39,100.84, or 14.83 per cent.

TRANSPORTATION

The total cost of transportation was $2,536,396.00, an increase as compared with the previous year of $524,675.96, or 26.08 per cent. The increase in the revenue ton-miles was 22.95 per cent. The ratio of transportation expenses to total operating revenues was 27.40 per cent., as compared with 26.44 per cent. last year, an increase of .96 per cent.

GENERAL

The expenditures for general administration were $242,856.05, an increase as compared with the previous year of $11,033.33, or 4.76 per cent.

FINANCIAL

The Capital Stock of Carolina, Clinchfield and Ohio Railway remains unchanged. It consists of:

250,000 shares of Common Stock, par value $100 each	$25,000,000 00
115,000 shares of 6% Noncumulative Preferred Stock, par value $100 each	11,500,000 00
Total	$36,500,000 00

Note: $1,500,000 of Preferred Stock is owned by Holston Corporation.

The 10 Mallet type (2-6-6-2) locomotives referred to on page 39 of the Annual Report for 1922 were sold for $185,000.

On March 15, 1923, an agreement was entered into between Metropolitan Trust Company of the City of New York, as Trustee, and Carolina, Clinchfield and Ohio Railway, under which there was constituted "Carolina, Clinchfield and Ohio Railway Equipment Trust, Series H". This agreement covers the lease of 10 Mallet type locomotives, rebuilt and modernized, and the Trustee under said agreement has issued certificates, designated as "Carolina, Clinchfield and Ohio Railway Equipment Trust, Series H", of a total amount of $500,000, bearing 5½ per cent. annual dividends, for rent or hire of said locomotives for a period of ten years.

The builders' cost of these locomotives was $700,500, the full amount of which was paid in cash received from the following sources:

Equipment Trust Certificates		$500,000
Sale of 10 old locomotives	$185,000	
Sale of locomotive parts	15,500	200,500
Total		$700,500

The certificates are payable in amounts of $25,000 on March 15th and September 15th of each year, the last payment being due on March 15, 1933.

When the final payment of rental is made the ownership of said locomotives shall be vested in Carolina, Clinchfield and Ohio Railway.

The amount of $25,000 rental due on September 15, 1923, was paid on that date.

These certificates were issued under authority of the Interstate Commerce Commission, and were sold for cash.

On December 6, 1923, there were purchased:

10 Mikado type locomotives
10 Mallet type locomotives

at a cost of $1,441,320, of which amount $361,320 was paid in cash and a note given to the builders for $1,080,000, due July 1, 1924, bearing 6 per cent. interest.

These locomotives had not been received at December 31, 1923.

Payments were made during the fiscal year on account of principal of Equipment Trust obligations as follows:

Series "E"	$26,000
Series "F"	76,000
Series "G"	84,000
Series "H"	25,000
United States Government Equipment Trust Notes No. 11	414,000
Total	$625,000

On June 18, 1923, at a Special Meeting of Stockholders, a proposal to lease the properties comprising the Clinchfield System to Atlantic Coast Line Railroad Company and Louisville & Nashville Railroad Company, jointly, for a term of 999 years, was approved by the Stockholders of this Company. As required by law, application was then made to the Interstate Commerce Commission for authority to consummate such lease, which application is still pending before that body.

GENERAL REMARKS

On July 15, 1923, the extension of the Interstate Railroad from Norton, Va., to Miller Yard, Va., where connection is made with your Railway, was placed in operation.

The Board acknowledges the fidelity and efficiency of the officers and employes of the company.

For the Board of Directors,

N. S. Meldrum, *President.*

STATEMENTS AND STATISTICS

GENERAL INCOME ACCOUNT
CAROLINA, CLINCHFIELD AND OHIO RAILWAYS
FOR THE YEAR ENDED DECEMBER 31, 1923

Operating Revenues			
Freight			$8,529,546.91
Passenger			551,330.64
Mail			39,051.31
Express			56,737.47
Miscellaneous			80,653.06
Total operating revenues			$9,257,319.39
Operating Expenses			
Maintenance of way and structures			$942,975.04
Maintenance of equipment			2,631,854.89
Traffic			302,807.95
Transportation			2,536,396.00
General			242,856.05
Transportation for investment *Cr.*			*3,497.73*
Total operating expenses			$6,653,392.20
Net Revenue From Railway Operations			$2,603,927.19
Railway tax accruals		$600,000.00	
Uncollectible railway revenues		1,947.27	601,947.27
Railway operating income			$2,001,979.92
Hire of equipment *Cr.*		$728,474.29	
Joint facility rents *Dr.*		*21,309.27*	707,165.02
Net Railway Operating Income			$2,709,144.94
Non-Operating Income			
Income from funded securities		$41,562.50	
Income from unfunded securities		118,133.19	
Rent from leased rail		1,237.85	
Miscellaneous income		10,210.66	171,144.20
Gross Income			$2,880,289.14
Deductions From Gross Income			
Interest on funded debt	$1,187,250.00		
Interest on equipment trusts	344,371.24	$1,531,621.24	
Rent for leased road	$25,900.00		
Interest on unfunded debt	3,005.54		
Miscellaneous income deductions	9,884.47	38,790.01	1,570,411.25
Net Income (exclusive of interest on Income Debentures)			$1,309,877.89
Interest on Income Debentures			300,000.00
Net Income			$1,009,877.89

PROFIT AND LOSS STATEMENT

January 1 to December 31, 1923

CAROLINA, CLINCHFIELD AND OHIO RAILWAY

Credits		
Balance January 1, 1923	$5,204,968.98	
Donations for side tracks	1,551.78	
Credit balance from income account, period twelve months, January 1, 1923, to December 31, 1923	(a) 1,040,191.26	
Total credits		$6,246,712.02
Debits		
Surplus appropriated for investment in physical property	$1,551.78	
Discount on securities	58,891.18	
Miscellaneous adjustments of uncollectible accounts	20,381.43	
Loss on retired road and equipment	7,238.48	
Unrefundable overcharges	400.08	
Total debits		88,462.95
Credit balance, December 31, 1923		$6,158,249.07

CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF SOUTH CAROLINA

Credits		
Unrefundable overcharges		$83.24
Debits		
Balance January 1, 1923	$1,297,228.00	
Miscellaneous debits	3,152.50	
Debit balance from income account, period twelve months, January 1, 1923, to December 31, 1923	(b) 30,313.37	
Total debits		1,330,693.87
Debit balance, December 31, 1923		$1,330,610.63

(a) Credit balance from income	$1,040,191 26
(b) Debit balance from income	30,313 37
Net credit from income as shown on pages 7 and 12	$1,009,877 89

GENERAL BALANCE SHEET,
CAROLINA, CLINCHFIELD

ASSETS

INVESTMENTS			
Investment in road and equipment			
Road		$49,527,553.52	
Equipment		15,745,245.10	$65,272,798.62
American Locomotive Company Agreement of December 6, 1923			1,441,320.00
Other Investments			
First Mortgage Bonds of C., C. & O. Railway of S. C.		$3,000,000.00	
Miscellaneous (See page 20)		4,326,055.11	7,326,055.11
CURRENT ASSETS			
Cash		$2,492,659.06	
Cash in banks	$2,343,415.69		
Station agents' cash in transit	51,388.37		
Deposit for principal and interest obligations	97,855.00		
Traffic and car service balances receivable		594,075.72	
Net balance receivable from agents and conductors		3,869.61	
Miscellaneous accounts receivable		220,286.36	
Material and supplies		929,365.54	
Loans and bills receivable		2,000.00	4,242,256.29
DEFERRED ASSETS			
Holston Corporation advances		$773,402.49	
Black Mountain Railway Company advances		249,047.36	
Erwin Electric Light and Power Company advances		35,947.94	
Southport Harbor Company advances		17,103.52	
Clinchfield Northern Railway of Kentucky advances		9,342.23	
Working fund advances		4,106.05	
Insurance premiums paid in advance		17,985.79	
Value of rail leased to industries		30,059.25	
Guaranty Trust Company of New York, Trustee		6,399.36	1,143,393.99
INTEREST ON BONDS OWNED			
Interest on First Mortgage Bonds of C., C. & O. Railway of S. C.		$1,512,500.00	
Interest on First Mortgage Bonds of Black Mountain Railway Company		4,062.49	1,516,562.49
UNADJUSTED DEBITS			
Freight items in suspense		$150,124.48	
Claims in suspense		48,729.45	
Estimated per diem in suspense		105,000.00	
Other deferred debit items		6,220.85	310,074.78
Total Assets			$81,252,461.28

CAROLINA, CLINCHFIELD AND OHIO

INVESTMENTS			
Investment in road and equipment			
Road			$3,126,721.88
CURRENT ASSETS			
Cash		$10,663.74	
Cash in banks	$6,726.87		
Station agents' cash in transit	3,936.87		
Traffic and car service balances receivable		20,751.05	
Net balance receivable from agents and conductors		951.38	
Miscellaneous accounts receivable		2,567.49	
Carolina, Clinchfield and Ohio Railway deposit account		57,828.77	
United States Railroad Administration—Trustee Account		136.88	92,899.31
UNADJUSTED DEBITS			
Claims in suspense		$920.50	
Freight items in suspense		2,000.00	
Taxes paid in advance		71.15	
Insurance premiums paid in advance		184.47	3,176.12
CORPORATE DEFICIT			
Profit and loss—Balance			1,330,610.63
Total Assets			$4,553,407.94

DECEMBER 31, 1923
AND OHIO RAILWAY

LIABILITIES

Stock			
Capital stock			
Common stock		$25,000,000.00	
Preferred stock	$13,500,000.00		
Less—Amount held in treasury	2,000,000.00	11,500,000.00	
			$36,500,000.00
Long Term Debt			
Funded debt unmatured			
First Mortgage Five Per Cent. Gold Bonds	$15,000,000.00		
Less—Amount held in treasury	1,050,000.00		
		$13,950,000.00	
First and Consolidated Mortgage Gold Bonds, Series A		8,000,000.00	
Six Per Cent. Cumulative Income Debentures		5,000,000.00	
Lick Creek and Lake Erie R. R. Co. First Mortgage Bonds	$200,000.00		
Less—Amount held in treasury	5,000.00		
		195,000.00	
			27,145,000.00
Equipment Trusts			
Equipment Gold Notes, Series "E"		$26,000.00	
Equipment Gold Notes, Series "F"		266,000.00	
Equipment Gold Certificates, Series "G"		294,000.00	
Equipment Gold Certificates, Series "H"		475,000.00	
Equipment Gold Notes, United States Government Equipment Trust No. 11		4,968,000.00	
			6,029,000.00
Equipment Note			
American Locomotive Company			1,080,000.00
Current Liabilities			
Traffic and car service balances payable		$235,375.34	
Audited accounts and wages payable		616,052.44	
Miscellaneous accounts payable		339.48	
Interest matured unpaid		59,700.00	
Unmatured interest accrued		422,531.42	
Carolina, Clinchfield and Ohio Railway of South Carolina deposit account		57,828.77	
Spartanburg Land Company deposit account		7,486.28	
United States Railroad Administration—Trustee Account		2,288.09	
			1,401,601.82
Unadjusted Credits			
Taxes accrued not due		$204,088.42	
Accrued depreciation—Equipment		2,594,070.75	
Estimated expenses accrued		21,062.27	
Other unadjusted credits		64,020.78	
			2,883,242.22
Corporate Surplus			
Additions to property through income and surplus		$55,368.17	
Profit and loss—Balance		6,158,249.07	
			6,213,617.24
Total Liabilities			$81,252,461.28

RAILWAY OF SOUTH CAROLINA

Stock		
Capital stock		
Common stock		$12,000.00
Long Term Debt		
First Mortgage Bonds		3,000,000.00
Current Liabilities		
Audited accounts and wages payable	$26,549.99	
Interest unpaid on First Mortgage Bonds	1,500,000.00	
Unmatured interest accrued	12,500.00	
Miscellaneous accounts payable	9.54	
		1,539,059.53
Unadjusted Credits		
Estimated expenses accrued	$1,200.00	
Other unadjusted credits	1,148.41	
		2,348.41
Total Liabilities		$4,553,407.94

STATEMENT OF FUNDED DEBT AND EQUIPMENT OBLIGATIONS, DECEMBER 31, 1923

Liens Created by	Character of Lien	Amount Outstanding	Date of Maturity	Rate Per Annum	Date Payable	Interest Accrued During Year
Carolina, Clinchfield and Ohio Ry.	First Mortgage 30-Year Gold Bonds .....(1)	$13,950,000	June 1, 1938	5%	June and Dec.	$697,500.00
Carolina, Clinchfield and Ohio Ry.	First and Consolidated Mortgage Gold Bonds, Series A	8,000,000	Dec. 15, 1952	6%	June 15 and Dec. 15	480,000.00
Lick Creek and Lake Erie R. R. Co.	First Mortgage Gold Bonds ....(2)	200,000	Jan. 1, 1933	5%	Jan. and July	9,750.00
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes Series E	26,000	$13,000 matures April 1st and Oct. 1st	5%	April and Oct.	1,950.00
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes Series F	266,000	$38,000 matures Jan. 1st and July 1st	5%	Jan. and July	14,250.00
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Certificates, Series G	294,000	$42,000 matures April 1st and Oct. 1st	5%	April and Oct.	16,800.00
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Notes No. 11 (Equipment allocated by U. S. Government)	4,968,000	$414,000 matures annually, Jan. 15th	6%	Jan. and July	299,115.00
Carolina, Clinchfield and Ohio Ry.	Equipment Trust Certificates, Series H	475,000	$25,000 matures March 15th and Sept. 15th	5½%	Mar. 15 and Sept. 15	(3) 12,256.24
	Total	$28,179,000				$1,531,621.24
Carolina, Clinchfield and Ohio Ry.	Fifteen-Year Cumulative Income Debentures	5,000,000	July 1, 1935	6%	Jan. and July	300,000.00
	Grand Total	$33,179,000				$1,831,621.24

CAROLINA, CLINCHFIELD AND OHIO RAILWAY OF SOUTH CAROLINA

Carolina, Clinchfield and Ohio Ry. of South Carolina	First Mortgage Gold Bonds	$3,000,000	June 1, 1938	5%	June and Dec.	(4)$150,000.00

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(1) Does not include $1,050,000 held in treasury.
(2) Includes $5,000 owned by Carolina, Clinchfield and Ohio Railway.
(3) Does not include interest charged to cost of equipment.
(4) Accrues to Carolina, Clinchfield and Ohio Railway.

DESCRIPTION OF FUNDED DEBT AND EQUIPMENT OBLIGATIONS

FIRST MORTGAGE FIVE PER CENT. THIRTY-YEAR GOLD BONDS:

Dated June 1, 1908, due June 1, 1938, secured by first mortgage on the line of railway and other property from Dante, Virginia, to North Carolina-South Carolina state line, 223.47 miles (subject to mortgage for $200,000 on line from Dante, Virginia, to Fink, Virginia, 7.5 miles), by equipment, and by the entire capital stock and $3,000,000 principal amount (being the entire authorized issue) of First Mortgage Gold Bonds, dated December 1, 1909, of Carolina, Clinchfield and Ohio Railway of South Carolina. Amount authorized $15,000,000, outstanding $13,950,000. Trustee: The Farmers' Loan and Trust Company, New York, N. Y. Coupon bonds in denomination of $1,000 each, registerable as to principal only. Fully registered bonds, without coupons, in denomination of $1,000. Interest payable June 1st and December 1st at office of the Company, New York, N. Y. Bonds contain "tax free" clause. Entire issue redeemable on any interest payment date, after six weeks' published notice, at 110 and accrued interest.

FIRST AND CONSOLIDATED MORTGAGE GOLD BONDS:

Amount authorized limited to $50,000,000 principal amount at any one time outstanding; issuable in series bearing such dates of issue and such dates of payment not later than December 15, 2072, and such rates of interest as may from time to time be determined by the Board of Directors. Secured by mortgage on line of railroad and other property from Kentucky-Virginia state line to Dante, Virginia, approximately 31.89 miles, commonly known as the "Elkhorn Extension"; Dante, Virginia, to North Carolina-South Carolina state line, approximately 223.47 miles, and Carbo, Russell County, to Laurel, Russell County, Virginia, approximately 5.71 miles, commonly known as "Dumps Creek Branch"; by equipment; by entire capital stock and $3,000,000 principal amount (being the entire authorized issue) of the First Mortgage Gold Bonds, dated December 1, 1909, of Carolina, Clinchfield and Ohio Railway of South Carolina; also by the entire capital stock and $500,000 principal amount (being the entire authorized issue) of the First Mortgage Five Per Cent. Gold Notes, dated May 1, 1912, of Clinchfield Northern Railway of Kentucky; and the entire capital stock of Holston Corporation. Subject to mortgage for $15,000,000 on line of railroad from Dante, Virginia, to North Carolina-South Carolina state line, approximately 223.47 miles, and on stock and bonds of Carolina, Clinchfield and Ohio Railway of South Carolina; and to mortgage for $200,000 on line of railroad from Dante to Fink, Virginia, approximately 7.5 miles. Trustee: The Equitable Trust Company of New York, New York, N. Y.

Series A, dated December 15, 1922, due December 15, 1952; amount authorized $9,500,000, amount issued $8,000,000, bearing six per cent. interest. Coupon bonds in denominations of $1,000, $500 and $100. $1,000 coupon bonds, registerable as to principal only. Fully registered bonds, without coupons, in denominations of $1,000, $5,000 and $10,000. Interest payable June 15th and December 15th at office or agency of the Company, New York, N. Y. Series A bonds contain "tax free" clause. Pennsylvania four-mill tax refundable. Redeemable as a whole or in part on any interest payment date, after not less than sixty days' published notice, at 107½, on or prior to December 15, 1937, and at ½% less during each twelve months' period thereafter, plus accrued interest in all cases.

LICK CREEK AND LAKE ERIE RAILROAD FIRST MORTGAGE FIVE PER CENT. GOLD BONDS:

Dated December 23, 1902, due January 1, 1933, secured by first mortgage on the line from Dante, Virginia, to Fink, Virginia, 7.5 miles. Amount authorized and outstanding $200,000. Trustee: Washington Loan and Trust Company, Washington, D. C. Coupon bonds in denomination of $1,000 each, not registerable. Interest payable January 1st and July 1st at Washington Loan and Trust Company, Washington, D. C. Mortgage contains "tax free" clause. Issue redeemable as a whole or in part on any interest payment date, after not less than sixty days' published notice, at par and accrued interest.

DESCRIPTION OF FUNDED DEBT AND EQUIPMENT OBLIGATIONS—*Continued*

SIX PER CENT. CUMULATIVE INCOME DEBENTURES:

Dated July 1, 1920, due July 1, 1935. Authorized $6,000,000, issued $5,000,000. Trustee: The New York Trust Company, New York, N. Y. Interest payable January 1st and July 1st at office of The New York Trust Company, New York, N. Y., if, when and as earned and when and as declared by the Board of Directors, out of the net earnings or surplus. Debentures contain "tax free" clause. Issue redeemable as a whole or in part on any interest payment date, after not less than thirty days' published notice, at par and accrued interest.

EQUIPMENT NOTES, SERIES "E":

Equipment covered:

300 thirty-ton steel-underframe stock cars.
2 Pacific type passenger locomotives.
1 ninety-ton Shay locomotive.

Cost of Equipment $309,604. Original issue of notes dated October 1, 1914, $260,000, bearing five per cent. interest. $13,000 matures semi-annually, April 1st and October 1st. Final payment matures October 1, 1924. Notes paid $234,000. Amount outstanding December 31, 1923, $26,000. Trustee: The New York Trust Company, New York, N. Y. Coupon notes in denomination of $1,000 each, not registerable. Interest payable April 1st and October 1st, at office of Blair and Co., 24 Broad Street, New York, N. Y. Notes do not contain "tax free" clause. Issue redeemable in whole or in part on any interest payment date, after not less than thirty days' published notice, at 101 and accrued interest.

EQUIPMENT NOTES, SERIES "F":

Equipment covered:

500 fifty-ton all-steel hopper cars.
5 steel-underframe caboose cars.

Cost of Equipment $903,113.75. Original issue of notes dated January 1, 1917, $760,000, bearing five per cent. interest. $38,000 matures semi-annually, January 1st and July 1st. Final payment matures January 1, 1927. Notes paid $494,000. Amount outstanding December 31, 1923, $266,000. Trustee: The New York Trust Company, New York, N. Y. Coupon notes in denomination of $1,000 each, not registerable. Interest payable January 1st and July 1st at office of Blair and Co., 24 Broad Street, New York, N. Y. Notes contain "tax free" clause. Issue redeemable as a whole on any interest payment date, after not less than thirty days' published notice, at 102½ and accrued interest.

EQUIPMENT CERTIFICATES, SERIES "G":

Equipment covered:

7 Mallet type locomotives.
9 Mikado type locomotives.

Cost of Equipment $1,092,950. Original issue of certificates dated April 2, 1917, $840,000, bearing five per cent. interest. $42,000 matures semi-annually, April 1st and October 1st. Final payment matures April 1, 1927. Notes paid $546,000. Amount outstanding December 31, 1923, $294,000. Trustee: Bank of North America & Trust Company, Philadelphia, Pa. Coupon certificates in denomination of $1,000 each, registerable as to principal only. Interest payable April 1st and October 1st at the office of Bank of North America & Trust Company, Philadelphia, Pa. Certificates do not contain "tax free" clause. Not redeemable.

DESCRIPTION OF FUNDED DEBT AND EQUIPMENT OBLIGATIONS—*Continued*

EQUIPMENT NOTES, UNITED STATES GOVERNMENT EQUIPMENT TRUST NO. 11:

Equipment covered:

1750 fifty-five-ton all-steel hopper cars.
300 fifty-ton steel-underframe box cars.
10 Mallet type locomotives.

Cost of Equipment $6,211,779.48. Original issue of notes dated January 15, 1920, $6,210,000, bearing six per cent. interest. $414,000 matures annually, January 15th. Final payment matures January 15, 1935. Notes paid $1,242,000. Amount outstanding December 31, 1923, $4,968,000. Trustee: Guaranty Trust Company of New York, New York, N. Y. Interest payable January 15th and July 15th at the office of Guaranty Trust Company of New York, New York, N. Y. Notes do not contain "tax free" clause. Issue redeemable as a whole on any interest payment date, after not less than sixty days' published notice, at 103 and accrued interest.

In April, 1922, $1,794,000 of Notes, consisting of thirteen notes for $138,000 each, maturing annually, January 15, 1923, to January 15, 1935, inclusive, were stamped with legend of subordination provided for in Article Eleventh of the Agreement, and $3,588,000 principal amount, of which $276,000 mature annually, January 15, 1923, to January 15, 1935, inclusive, were issued in definitive form, in denomination of $1,000 each. Notes in definitive form registerable as to principal only.

EQUIPMENT CERTIFICATES, SERIES "H":

Equipment covered:

10 Mallet type locomotives.

Cost of Equipment $700,500. Original issue of certificates dated March 15, 1923, $500,000, bearing five and one-half per cent. dividends. $25,000 matures semi-annually March 15th and September 15th. Final payment matures March 15, 1933. Notes paid $25,000. Amount outstanding December 31, 1923, $475,000. Trustee: Metropolitan Trust Company of the City of New York, New York, N. Y. Issued in denomination of $1,000 each, registerable as to principal only, with dividend warrants attached. Dividends payable March 15th and September 15th at the office of Metropolitan Trust Company of the City of New York, New York, N. Y. Certificates contain "tax free" clause. Issue redeemable as a whole on any dividend payment date, after not less than thirty days' published notice, at 102½ and accrued dividends.

GUARANTEES

Carolina, Clinchfield and Ohio Railway has guaranteed payment of principal and interest of $500,000 principal amount of First Mortgage Five Per Cent. Gold Bonds of Black Mountain Railway Company, dated April 1, 1916, and payable serially at the rate of $25,000 principal amount per annum on the first day of April of each year, beginning April 1, 1917, with interest at the rate of five per cent. per annum, of which there remained outstanding at close of business, December 31, 1923, $325,000 principal amount. Trustee: The New York Trust Company, New York, N. Y. All of these bonds are owned by Carolina, Clinchfield and Ohio Railway.

Carolina, Clinchfield and Ohio Railway guarantees payment of principal and interest of $1,500,000 principal amount of Five Per Cent. Realty and Collateral Trust Convertible Notes of Holston Corporation, dated April 1, 1916, and payable April 1, 1926, with interest at the rate of 5% per annum. Trustee: Central Union Trust Company of New York, New York, N. Y. Coupon notes in denomination of $1,000 each, registerable as to principal only. Fully registered notes, without coupons, in denomination of $1,000 each. Notes convertible into preferred stock of Carolina, Clinchfield and Ohio Railway at par and accrued interest. Issue redeemable at any time, on thirty days' published notice, at par and accrued interest.

STATEMENT OF SECURITIES OWNED, DECEMBER 31, 1923

	BONDS	EACH	PAR VALUE	TOTAL
BONDS				
Carolina, Clinchfield and Ohio Railway of South Carolina................	3,000	$1,000.00	$3,000,000.00	
Clinchfield Northern Railway of Kentucky	500	1,000.00	500,000.00	
Lick Creek and Lake Erie Railroad Co..	5	1,000.00	5,000.00	
Black Mountain Railway Company....	325	1,000.00	325,000.00	
Black Mountain Railway Company First Income Debentures	50	1,000.00	50,000.00	
Black Mountain Railway Company Second Income Debentures.......	250	1,000.00	250,000.00	
				$4,130,000.00
STOCK	SHARES			
Southport Harbor Co.	20,000	$100.00	$2,000,000.00	
Holston Corporation	7,500	100.00	750,000.00	
Spartanburg Land Co.	7,500	100.00	750,000.00	
Lick Creek and Lake Erie Railroad Co...	1,000	100.00	100,000.00	
Carolina, Clinchfield and Ohio Railway of South Carolina................	120	100.00	12,000.00	
Clinchfield Northern Ry. of Kentucky	50	100.00	5,000.00	
				3,617,000.00
Total par value.............	....	....		$7,747,000.00
Book value	....	....		$7,326,055.11

STATEMENT OF MILEAGE OF TRACK OPERATED FOR YEAR ENDED DECEMBER 31, 1923, AS COMPARED WITH SAME PERIOD PREVIOUS YEAR

As Measured for Valuation of Railway

	Dec. 31, 1923	Dec. 31, 1922	Increase	Decrease
OWNED				
MAIN LINE				
In Virginia: Kentucky-Virginia State Line to Virginia-Tennessee State Line	83.77	83.77		
In Tennessee: Virginia-Tennessee State Line to Tennessee-North Carolina State Line	55.59	55.59		
In North Carolina: Tennessee-North Carolina State Line to North Carolina-South Carolina State Line	116.61	116.61		
In South Carolina: (C., C. & O. Railway of S. C.): North Carolina-South Carolina State Line to Spartanburg	18.09	18.09		
	274.06	274.06		
BRANCH LINES				
In Virginia: Carbo to Wilder	8.40*	8.40*		
Hurricane Junction to Shaft	1.20**	1.20**		
In North Carolina: Bostic Yard to Junction S. A. L. Ry.	.79	.79		
	10.39	10.39		
LEASED				
MAIN LINE				
In Kentucky: Clinchfield Northern Railway of Kentucky	2.79	2.79		
TRACKS USED JOINTLY				
In Virginia: N. & W. Ry., Carbo to St. Paul	8.45	8.45		
Southern Railway, Virginia-Tennessee State Line to Albert Yard	12.90	12.90		
In Tennessee: Southern Railway, Frisco to Virginia-Tennessee State Line	.70	.70		
	22.05	22.05		
GRAND TOTAL	309.29	309.29		
Total mileage operated	309.29	309.29		
Average mileage operated	309.29	299.09	10.20	
First track, owned, operated and leased	287.24	287.24		
First track used jointly	22.05	22.05		
Sidings, used jointly	3.12		3.12	
Sidings, owned	143.71†	138.20†	5.51	
Sidings owned jointly with Southern Railway	1.75		1.75	
Sidings, leased	5.39	5.39		
Sidings operated by Railway but owned by industries	13.91	11.86	2.05	
TOTAL ALL TRACKS	477.17	464.74	12.43	

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*Includes 2.69 miles on which the rail and fastenings are owned by C., C. & O. Railway and the ties and roadbed owned by industries.

**Rails and fastenings owned by C., C. & O. Railway, ties and roadbed owned by industries.

†Includes 11.74 miles industrial tracks on which the rail and fastenings are owned by C., C. & O. Railway and the ties and roadbed owned by industries.

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED DECEMBER 31, 1923 COMPARED WITH SAME PERIOD PREVIOUS YEAR

Accounts	Expenses for 1923	Expenses for 1922
Maintenance of way and structures	$942,975.04	$890,358.58
Maintenance of equipment	2,631,854.89	1,621,631.94
Traffic	302,807.95	263,707.11
Transportation	2,536,396.00	2,011,720.04
General	242,856.05	231,822.72
Transportation for investment *Cr.*	*3,497.73*	*3,453.73*
Total	$6,653,392.20	$5,015,786.66
Maintenance of Way and Structures		
Superintendence	$34,391.31	$34,018.95
Roadway maintenance	100,832.52	76,931.60
Tunnels and subways	4,940.15	3,263.29
Bridges, trestles and culverts	53,085.98	51,304.38
Ties	184,672.89	196,707.78
Rails	121,127.55	126,273.77
Other track material	38,856.91	50,548.14
Ballast	22,837.63	15,824.50
Track laying and surfacing	267,283.59	239,719.13
Right-of-way fences	588.71	314.88
Crossings and signs	6,153.32	4,922.16
Station and office buildings	12,418.99	8,257.27
Roadway buildings	1,492.97	*14.82*
Water and fuel stations	20,044.79	15,976.31
Shops and enginehouses	10,566.40	6,788.92
Gas producing plants	2.24	....
Telegraph and telephone lines	21,556.44	24,740.33
Signals and interlockers	1,152.56	697.52
Roadway machines	6,637.84	4,319.56
Small tools and supplies	8,315.53	6,934.84
Removing snow, ice and sand	508.05	368.64
Assessments for public improvements	....	*384.55*
Injuries to persons	12,136.44	22,520.53
Insurance	1,992.94	2,948.76
Stationery and printing	1,081.58	683.68
Other expenses	50.00	....
Maintaining joint tracks, yards and other facilities *Dr*	16,751.70	6,197.28
Maintaining joint tracks, yards and other facilities *Cr*	*6,503.99*	*9,504.27*
Total Maintenance of Way and Structures	$942,975.04	$890,358.58
Maintenance of Equipment		
Superintendence	$45,027.78	$46,464.04
Shop machinery	41,340.86	27,842.35
Steam locomotives—repairs	627,636.11	421,031.21
Steam locomotives—depreciation	104,513.01	105,683.64
Steam locomotives—retirements	78,378.90	....
Freight-train cars—repairs	1,308,905.22	625,682.73
Freight-train cars—depreciation	305,483.25	305,150.60
Freight-train cars—retirements	7,716.47	22,015.20
Passenger-train cars—repairs	58,697.27	31,935.90
Passenger-train cars—depreciation	6,251.24	5,927.88
Passenger-train cars—retirements	985.91	....
Motor equipment of cars—repairs	50.69	244.80
Work equipment—repairs	26,069.55	12,976.05
Work equipment—depreciation	5,066.29	4,822.80
Work equipment—retirements	....	....
Injuries to persons	5,957.38	4,944.12
Insurance	6,762.92	5,445.04
Stationery and printing	3,012.04	1,460.19
Other expenses	....	5.39
Total Maintenance of Equipment	$2,631,854.89	$1,621,631.94

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED DECEMBER 31, 1923, COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

Accounts	Expenses for 1923	Expenses for 1922
TRAFFIC		
Superintendence	$77,188.13	$70,471.40
Outside agencies	192,946.37	161,532.83
Advertising	1,658.97	1,567.45
Traffic associations	4,590.70	3,828.18
Industrial and immigration bureaus	5,234.32	4,527.25
Insurance	5.64	22.56
Stationery and printing	21,183.82	21,757.44
Total Traffic	$302,807.95	$263,707.11
TRANSPORTATION		
Superintendence	$96,841.49	$94,846.29
Dispatching trains	44,943.77	42,611.83
Station employees	160,830.27	153,375.58
Weighing, inspection and demurrage bureaus	1,052.96	1,048.38
Station supplies and expenses	10,165.06	8,809.00
Yardmasters and yard clerks	30,427.42	23,692.52
Yard conductors and brakemen	87,662.80	56,337.28
Yard switch and signal tenders	1,900.12	2,001.58
Yard enginemen	57,294.79	36,804.04
Fuel for yard locomotives	60,803.98	34,159.35
Water for yard locomotives	2,646.63	2,468.78
Lubricants for yard locomotives	1,257.11	740.74
Other supplies for yard locomotives	1,735.68	1,046.14
Enginehouse expenses—yard	20,638.19	16,022.54
Yard supplies and expenses	523.60	340.48
Operating joint yards and terminals *Dr.*	28,358.90	26,125.60
Operating joint yards and terminals *Cr.*	*2,322.02*	*5,094.44*
Train enginemen	430,968.95	351,584.49
Train motormen	2,306.14	2,597.61
Fuel for train locomotives	684,755.06	474,234.31
Water for train locomotives	24,557.69	21,205.32
Lubricants for train locomotives	19,747.23	16,311.01
Other supplies for train locomotives	13,756.80	10,387.52
Enginehouse expenses—train	125,690.26	114,253.46
Trainmen	409,028.62	330,125.33
Train supplies and expenses	60,667.10	43,969.34
Signal and interlocker operation	....	....
Crossing protection	2,191.65	2,223.23
Telegraph and telephone operation	1,214.87	1,003.29
Stationery and printing	18,918.17	16,988.43
Other expenses	1,609.56	543.61
Operating joint tracks and facilities *Dr.*	22,668.70	21,439.37
Operating joint tracks and facilities *Cr.*	*3,898.55*	*4,613.86*
Insurance	600.62	577.00
Clearing wrecks	27,940.01	32,623.36
Damage to property	3,881.78	3,854.29
Damage to live stock on right-of-way	11,640.60	12,106.11
Loss and damage—freight	33,219.65	42,847.30
Loss and damage—baggage	220.93	107.09
Injuries to persons	39,949.41	22,016.74
Total Transportation	$2,536,396.00	$2,011,720.04

DETAILS OF OPERATING EXPENSES FOR YEAR ENDED DECEMBER 31, 1923, COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

ACCOUNTS	EXPENSES FOR 1923	EXPENSES FOR 1922
GENERAL		
Salaries and expenses of general officers	$37,859.26	$39,432.86
Salaries and expenses of clerks and attendants	93,504.07	82,921.44
General office supplies and expenses	21,898.16	21,628.55
Law expenses	67,784.57	62,045.00
Insurance	345.47	347.08
Stationery and printing	12,554.35	13,137.96
Valuation expenses	1,866.74	1,382.01
Other expenses	7,043.43	10,927.82
Total General	$242,856.05	$231,822.72

SUMMARY OF OPERATING REVENUES FOR TEN YEARS, 1914 TO 1923, INCLUSIVE

Years Ended Dec. 31	Coal Freight	Merchandise Freight	Passenger	Mail and Express	Miscellaneous	Total Operating Revenues
1914	$1,364,330 28	$736,467 14	$203,674 34	$26,185 44	$27,963 90	$2,358,621 10
1915	1,483,576 22	784,469 98	194,156 77	27,015 53	25,852 97	2,515,071 47
1916	1,783,739 31	1,147,916 54	253,984 64	37,721 13	53,125 18	3,276,486 80
1917	2,217,197 91	1,639,311 56	322,119 07	46,554 38	60,207 19	4,285,390 11
1918	2,972,224 65	1,508,955 39	441,727 22	36,587 96	62,890 04	5,022,385 26
1919	3,906,669 10	1,815,700 02	440,683 95	45,021 50	69,751 57	6,277,826 14
1920	4,478,865 43	2,371,383 96	546,480 38	97,692 15	66,458 27	7,560,880 19
1921	4,024,728 43	2,765,418 97	522,692 77	83,000 41	68,271 64	7,464,112 22
1922	4,414,682 97	2,558,359 66	482,369 19	100,745 73	52,444 61	7,608,602 16
1923	4,934,252 58	3,595,294 33	551,330 64	95,788 78	80,653 06	9,257,319 39

The Ratio of Each Class of Operating Revenues to Total Operating Revenues is as Follows:

	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923
Coal freight	57.84	58.99	54.44	51.74	59.18	59.04	59.24	53.92	58.03	53.30
Merchandise freight	31.22	31.19	35.04	38.25	30.04	32.11	31.36	37.05	33.62	38.84
Passenger	8.64	7.72	7.75	7.52	8.80	7.02	7.23	7.01	6.34	5.96
Mail and express	1.11	1.07	1.15	1.09	.73	.72	1.29	1.11	1.32	1.03
Miscellaneous	1.19	1.03	1.62	1.40	1.25	1.11	.88	.91	.69	.87

SUMMARY OF OPERATING EXPENSES FOR TEN YEARS, 1914 TO 1923, INCLUSIVE

Years Ended Dec. 31	Maintenance of Way and Structures	Maintenance of Equipment	Traffic	Transportation	General	Total Operating Expenses
1914	$193,737 79	$307,660 85	$102,684 57	$469,693 87	$126,508 77	$1,193,184 66
1915	286,889 88	303,089 63	113,005 25	467,422 55	126,668 51	1,284,731 30
1916	289,720 14	447,317 87	221,016 76	647,025 38	147,772 64	1,742,278 48
1917	426,170 00	635,479 74	227,980 01	986,370 26	179,023 15	2,450,309 64
1918	684,515 12	1,171,404 91	110,363 13	1,621,288 19	163,390 46	3,748,029 87
1919	966,414 25	1,524,824 43	70,044 83	1,966,366 11	176,506 85	4,702,570 71
1920	1,050,184 94	1,915,917 60	221,020 17	2,546,885 82	259,761 95	5,991,271 09
1921	979,799 06	1,740,747 17	269,116 40	2,084,818 32	250,255 27	5,320,170 72
1922	890,358 58	1,621,631 94	263,707 11	2,011,720 04	231,822 72	5,015,786 66
1923	942,975 04	2,631,854 89	302,807 95	2,536,396 00	242,856 05	6,653,392 20

The Ratio of Each Class of Operating Expenses to Total Operating Revenues is as Follows:

	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923
Maintenance of way and structures	8.22	11.41	8.84	9.95	13.63	15.39	13.89	13.13	11.70	10.19
Maintenance of equipment	13.04	12.05	13.65	14.83	23.32	24.28	25.34	23.32	21.31	28.43
Traffic	4.35	4.49	6.75	5.32	2.20	1.11	2.92	3.61	3.47	3.27
Transportation	19.92	18.58	19.75	23.01	32.28	31.32	33.68	27.93	26.44	27.40
General	5.36	5.04	4.51	4.18	3.25	2.81	3.44	3.35	3.05	2.62
Total	50.59	51.08	53.18	57.18	74.63	74.91	79.24	71.28	65.92	71.87

SUMMARY OF INCOME ACCOUNT FOR TEN YEARS, 1914 TO 1923, INCLUSIVE

Years Ended Dec. 31	Net Operating Revenues	Net Other Income	Gross Income	Taxes	Fixed Charges	Surplus
1914	$1,165,436 44	$247,326 15	$1,412,762 59	$161,322 25	$934,083 36	$317,356 98
1915	1,230,340 17	222,166 46	1,452,506 63	164,266 95	1,058,002 77	209,885 52
1916	1,534,208 32	398,684 06	1,932,892 38	155,280 39	1,189,893 39	587,718 60
1917	1,835,080 47	567,436 38	2,402,516 85	226,877 05	1,275,845 52	899,794 28
1918	1,274,355 39	229,648 11	1,503,695 64	208,457 89	....	....
1919	1,575,255 43	132,297 75	1,707,553 18	226,523 14	....	....
1920	1,569,609 10	1,167,933 45	2,737,542 55	370,749 60	1,618,274 48	748,518 47
1921	2,143,941 50	877,206 46	3,021,147 96	440,000 00	1,594,720 08	986,427 88
1922	2,592,815 50	963,121 71	3,555,937 21	565,000 00	1,553,570 23	1,437,366 98
1923	2,603,927 19	837,571 94	3,441,499 13	600,000 00	1,531,621 24	1,309,877 89

Note: Data for 1918, 1919, and January and February, 1920, furnished by United States Railroad Administration.

Note: Compensation received from the Government during Federal control was at the rate of $1,804, 970.46 per annum.

MONTHLY OPERATING REVENUES AND EXPENSES FOR THE YEAR ENDED DECEM-

	Operating Revenues					
	Coal Freight	Merchandise Freight	Passenger	Mail and Express	Miscellaneous	Total
January	$423,164.88	$252,463.89	$39,157.96	$5,889.20	$6,908.09	$727,584.02
February	368,900.80	235,809.61	36,833.40	4,915.73	6,324.35	652,783.89
March	439,621.48	305,571.29	43,037.40	7,571.02	6,265.78	802,066.97
April	463,602.61	336,423.72	44,085.39	9,513.03	7,503.36	861,128.11
May	465,880.85	335,113.67	47,419.00	8,226.19	7,076.39	863,716.10
June	431,751.14	320,190.68	47,285.28	8,149.06	5,780.01	813,156.17
July	400,110.33	290,664.34	55,563.08	9,573.53	6,912.40	762,823.68
August	434,332.42	286,525.72	56,013.63	9,231.10	6,610.06	792,712.93
September	400,643.03	288,649.17	49,802.93	8,420.51	5,416.23	752,931.87
October	345,092.21	323,648.85	44,509.63	8,478.84	8,580.68	730,310.21
November	377,458.12	318,378.84	38,519.64	8,354.46	6,848.11	749,559.17
December	383,694.71	301,854.55	49,103.30	7,466.11	6,427.60	748,546.27
Total year ended December 31, 1923.........	$4,934,252.58	$3,595,294.33	$551,330.64	$95,788.78	$80,653.06	$9,257,319.39
Total year ended December 31, 1922	4,414,682.97	2,558,359.66	482,369.19	100,745.73	52,444.61	7,608,602.16
Increase	$519,569.61	$1,036,934.67	$68,961.45	*$4,956.95**	$28,208.45	$1,648,717.23
Increase per cent.	11.77	40.53	14.30	*4.92**	53.79	21.67

*Decrease.

BER 31, 1923, COMPARED WITH TOTALS FOR THE YEAR ENDED DECEMBER 31, 1922

Operating Expenses						Net Operating Revenues
Maintenance of Way and Structures	Maintenance of Equipment	Traffic	Transportation	General	Total	
$57,840.70	$198,602.68	$25,017.52	$218,129.96	$18,932.40	$518,258.74	$209,325.28
51,805.53	192,809.87	23,915.79	211,274.97	19,186.23	498,840.38	153,943.51
70,479.53	195,473.96	24,976.75	229,638.71	19,542.92	539,721.74	262,345.23
76,331.08	220,407.69	25,289.10	232,988.46	18,566.96	573,355.32	287,772.79
88,720.78	274,311.72	26,352.86	240,223.81	19,072.16	648,082.22	215,633.88
91,188.22	238,761.77	24,938.27	205,908.46	20,550.08	581,001.51	232,154.66
78,276.89	197,176.69	25,520.39	200,791.03	20,656.26	522,381.62	240,442.06
98,109.98	225,161.02	24,815.22	201,824.16	21,969.90	571,782.69	220,930.24
84,146.12	234,230.52	24,578.36	203,414.70	19,911.10	566,013.46	186,918.41
88,686.54	234,217.85	26,784.80	200,480.61	21,799.56	571,683.64	158,626.57
90,734.84	229,443.14	25,083.74	198,181.34	20,332.30	563,325.98	186,233.19
66,654.83	191,257.98	25,535.15	193,539.79	22,336.18	498,944.90	249,601.37
$942,975.04	$2,631,854.89	$302,807.95	$2,536,396.00	$242,856.05	$6,653,392.20	$2,603,927.19
890,358.58	1,621,631.94	263,707.11	2,011,720.04	231,822.72	5,015,786.66	2,592,815.50
$52,616.46	$1,010,222.95	$39,100.84	$524,675.96	$11,033.33	$1,637,605.54	$11,111.69
5.91	62.30	14.83	26.08	4.76	32.65	.43

TRAFFIC STATISTICS FOR YEAR ENDED DECEMBER 31, 1923, COMPARED WITH SAME PERIOD PREVIOUS YEAR

	YEAR ENDED DEC. 31, 1923	YEAR ENDED DEC. 31, 1922	INCREASE	DECREASE
AVERAGE MILES OF ROAD OPERATED	309.29	299.09	10.20	
PASSENGER TRAFFIC				
Number of passengers	606,507	574,121	32,386	
Number of passengers carried one mile	15,742,298	13,689,866	2,052,432	
Number of passengers carried one mile per mile of road	50,898	45,772	5,126	
Average distance each passenger traveled (miles)	25.96	23.84	2.12	
Total revenue from passengers	$551,330.64	$482,369.19	$68,961.45	
Average amount received from each passenger (cents)	90.90	84.02	6.88	
Average receipts per passenger per mile (cents)	3.50	3.52	....	.02
Total passenger train revenue	$655,853.60	$586,599.16	$69,254.44	
Passenger train revenue per mile of road	$2,120.51	$1,961.28	$159.23	
Passenger train revenue per train mile (cents)	190.90	172.90	18.00	
Average number of passengers per passenger train mile	46	40	6	
Average number of passengers per passenger car mile	20	18	2	
FREIGHT TRAFFIC				
REVENUE COAL TRAFFIC				
Tons of coal carried	4,302,869	3,823,222	479,647	
Tons of coal carried one mile	733,090,800	652,123,327	80,967,473	
Tons of coal carried one mile per mile of road	2,370,238	2,180,358	189,880	
Average distance hauled per ton (miles)	170.37	170.57	....	.20
Total coal freight revenue	$4,934,252.58	$4,414,682.97	$519,569.61	
Average amount received for each ton (cents)	114.67	115.47	....	.80
Average receipts per ton per mile (cents)	0.67	0.68	....	0.01
Coal freight revenue per mile of road	$15,953.48	$14,760.38	$1,193.10	
REVENUE MERCHANDISE TRAFFIC				
Tons of merchandise carried	2,641,555	1,767,493	874,062	
Tons of merchandise carried one mile	317,562,389	202,392,726	115,169,663	
Tons of merchandise carried one mile per mile of road	1,026,746	676,695	350,051	
Average distance hauled per ton (miles)	120.22	114.51	5.71	
Total merchandise freight revenue	$3,595,294.33	$2,558,359.66	$1,036,934.67	
Average amount received for each ton (cents)	136.11	144.75	....	8.64
Average receipts per ton per mile (cents)	1.13	1.26	....	.13
Merchandise freight revenue per mile of road	$11,624.35	$8,553.81	$3,070.54	

TRAFFIC STATISTICS FOR YEAR ENDED DECEMBER 31, 1923, COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

	YEAR ENDED DEC. 31, 1923	YEAR ENDED DEC. 31, 1922	INCREASE	DECREASE
TOTAL REVENUE FREIGHT TRAFFIC				
Tons of freight carried	6,944,424	5,590,715	1,353,709	
Tons of freight carried one mile	1,050,653,189	854,516,053	196,137,136	
Tons of freight carried one mile per mile of road	3,396,984	2,857,053	539,931	
Average distance hauled per ton (miles)	151.29	152.85	....	1.56
Total freight revenue	$8,529,546.91	$6,973,042.63	$1,556,504.28	
Average amount received for each ton (cents)	122.83	124.73	....	1.90
Average amount received per ton per mile (cents)	.81	.82	....	.01
Freight revenue per mile of road	$27,577.83	$23,314.19	$4,263.64	
Freight revenue per train mile	$9.33	$9.52	....	$0.19
Average number of tons of freight per train mile	1,149.46	1,166.62	....	17.16
Average number of tons of freight per loaded car mile	36.16	39.07	....	2.91
ALL FREIGHT (including company material hauled free)				
Number of tons carried	7,237,220	5,810,374	1,426,846	
Number of tons carried one mile	1,084,997,956	879,474,265	205,523,691	
Average number of tons of freight per train mile	1,187.04	1,200.69	....	13.65
Average number of tons of freight per loaded car mile	37.34	40.21	....	2.87
REVENUE AND OPERATING EXPENSES				
Passenger and freight train revenue	$9,203,291.51	$7,573,984.19	$1,629,307.32	
Passenger and freight train revenue per mile of road	29,756.19	25,323.43	4,432.76	
Gross operating revenue	9,257,319.39	7,608,602.16	1,648,717.23	
Gross operating revenue per mile of road	29,930.87	25,439.17	4,491.70	
Gross operating revenue per revenue train mile	7.36	7.10	.26	
Operating expenses (taxes excluded)	6,653,392.20	5,015,786.66	1,637,605.54	
Operating expenses per mile of road	21,511.82	16,770.16	4,741.66	
Operating expenses per revenue train mile	5.29	4.68	.61	
Net operating revenues	2,603,927.19	2,592,815.50	11,111.69	
Net operating revenue per mile of road	8,419.05	8,669.01	....	$249.96
Net operating revenue per revenue train mile	2.07	2.42	....	.35

CLASSIFICATION OF FREIGHT CARRIED DURING YEAR ENDED DECEMBER 31, 1923, COMPARED WITH SAME PERIOD PREVIOUS YEAR

(NET TONS)

	YEAR ENDED DEC. 31, 1923	YEAR ENDED DEC. 31, 1922	INCREASE	DECREASE
PRODUCTS OF AGRICULTURE				
Wheat, corn, oats, other grain	56,732	37,029	19,703	
Flour and meal	26,475	24,082	2,393	
Other mill products	22,574	16,111	6,463	
Hay, straw and alfalfa	46,075	28,437	17,638	
Tobacco	2,255	655	1,600	
Cotton, cotton seed, etc.	5,795	9,539	....	3,744
Fresh fruits	4,271	10,060	....	5,789
Fresh vegetables	7,549	6,114	1,435	
Dried fruits and vegetables	339	928	....	589
Other products of agriculture	1,407	613	794	
PRODUCTS OF ANIMALS				
Live stock	1,586	1,340	246	
Fresh meats	1,638	2,198	....	560
Other packing house products	1,139	1,480	....	341
Poultry, eggs, butter and cheese	849	600	249	
Wool, hides and leather	4,653	3,593	1,060	
Other products of animals	839	560	279	
PRODUCTS OF MINES				
Bituminous coal	4,268,569	3,821,062	447,507	
Coke	34,300	2,160	32,140	
Ores	8,087	4,796	3,291	
Clay, gravel, sand and stone	546,452	407,037	139,415	
Other products of mines	219,655	159,778	59,877	
PRODUCTS OF FORESTS				
Lumber	441,698	238,407	203,291	
Other products of forests	351,491	159,912	191,579	
MANUFACTURES AND MISCELLANEOUS				
Petroleum and other oils	11,603	10,559	1,044	
Sugar, syrup, glucose, molasses	1,987	2,707	....	720
Iron, pig and bloom	6,824	2,188	4,636	
Rail and fastenings	11,146	9,745	1,401	
Bar and sheet iron, etc.	28,916	13,941	14,975	
Other metals	164	129	35	
Castings	14,363	4,862	9,501	
Cement	217,106	189,839	27,267	
Brick, artificial stone, lime, plaster	147,182	122,809	24,373	
Sewer pipe and drain tile	10,202	5,644	4,558	
Agricultural implements	7,209	3,477	3,732	
Automobiles and auto trucks	63,519	30,336	33,183	
Household goods and furniture	5,062	2,149	2,913	
Beverages	869	357	512	
Fertilizers	14,465	14,865	....	400
Paper	1,947	757	1,190	
Chemicals and explosives	14,301	9,781	4,520	
Textiles	11,326	4,442	6,884	
Canned goods	3,961	2,784	1,177	
Other manufactures	153,805	88,528	65,277	
Merchandise—all L.C.L. freight	164,039	134,325	29,714	
RECAPITULATION				
Products of agriculture	173,472	133,568	39,904	
Products of animals	10,704	9,771	933	
Products of mines	5,077,063	4,394,833	682,230	
Products of forests	793,189	398,319	394,870	
Manufactures and miscellaneous	889,996	654,224	235,772	
Total revenue tonnage	6,944,424	5,590,715		
Net increase	....	....	1,353,709	

LIST OF INDUSTRIES ESTABLISHED FROM JANUARY 1, 1923, TO DECEMBER 31, 1923

Shipping Point	Name	Character
	VIRGINIA	
Haysi	Craney Island Coal Corporation	Coal
Haysi	Haysi Lumber Company	Saw Mill
Long Branch	Geo. C. Sutherland	Saw Mill
Clinchfield	Tennessee Wood Corporation	Wood
Burton's Ford	Buffalo Lumber Company	Saw Mill
Bangor	Robert Greer	Saw Mill
Dungannon	Virginia-Tennessee Lumber Company	Saw Mill
	TENNESSEE	
Waycross	G. A. Jeter	Saw Mill
Kingsport	Lowry Fruit Company	Wholesale
Kingsport	Burley Tobacco Growers Association	Warehouse
Fordtown	Mitchell Brothers	Saw Mill
Fordtown	W. O. Nelson	Saw Mill
Johnson City	Whitehouse Overall Company	Overalls
Johnson City	Burley Tobacco Growers Association	Warehouse
Johnson City	C. B. Voncannon and Company	Woodworking
Johnson City	Unaka Oak Flooring Company	Flooring
Johnson City	Golding Sons Company	Feldspar Mill
Johnson City	Skelton's Bakery	Bakery
Marbleton	J. A. Wilson	Saw Mill
	NORTH CAROLINA	
Green Mountain	M. L. Moyer	Feldspar Mine
Green Mountain	Honeycutt and Bailey	Saw Mill
Toecane	G. W. Greene	Wholesale Feed, etc.
Toecane	W. B. Parsons	Feldspar Mine
Boonford	W. S. Phillips	Saw Mill
Cass	Crabtree Feldspar Corporation	Feldspar Mill
Penland	Erwin Feldspar Corporation	Feldspar Mine
Penland	B. C. Burgess	Feldspar Mine
Spruce Pine	Spruce Pine Mica Company	Mica Cutting, etc.
Spruce Pine	Marshall Lumber Company	Building Material
Spruce Pine	Standard Oil Company	Oil Sub-station
Spruce Pine	Norman G. Smith and Company	Feldspar and Clay
Spruce Pine	Erwin Feldspar Corporation	Feldspar Mine
Spruce Pine	Clinchfield Products Corporation	Feldspar Mine
Linville Falls	J. A. Riley	Saw Mill
Linville Falls	Linville Mountain Lumber Company	Saw Mill
Marion	Texaco Oil Company	Sub-station
	SOUTH CAROLINA	
Chesnee	Scoggins-Vassey Gin Company	Cotton Gin

SIDINGS, SPURS AND ADDITIONAL YARD TRACKS BUILT

FROM JANUARY 1, 1923, TO DECEMBER 31, 1923

Mile Post		Miles
	Virginia	
20.5	Passing Siding, Fremont	.596
28.7	Speed Mankin Lumber Company	.061 c
30.5	Virginia Banner Coal Corporation	1.617 b
44.2	Storage Track, Castle	.592
36.0	Yard Tracks, Dante	.825
42.6	Clinchfield Lumber & Supply Corporation	.090 b
48.3	Virginia Iron, Coal & Coke Company	.159 a
57.2	Virginia-Tennessee Lumber Company	.038
60.9	P. L. Cox	.050 b
83.2	Yard Track, Frisco	1.100 d
	Tennessee	
83.2	Yard Track, Frisco	.650 d
93.2	Two Yard Tracks, Kingsport	1.030
121.4	Sells Lumber and Manufacturing Company	.049 b
121.4	Empire Chair Company (Extension)	.042 a
135.6	Eight Car Storage Tracks, Erwin Yard	2.707
142.4	I. Mac English	.112 b
	North Carolina	
186.6	Grant Leather Corporation	.044 b
192.2	J. M. Washburn	.048 b
247.7	Station Track, Forest City	.091
	Total	9.901
	Total tracks removed during period	.589
	Net length of tracks added during period	9.312

a Owned by Industry.
b .026 miles owned by C., C. & O. Railway, balance by Industry.
c .042 miles owned by C., C. & O. Railway, balance by Industry.
d Owned jointly by C., C. & O. Railway and Southern Railway.

EXPENDITURES FOR ADDITIONS AND BETTERMENTS CHARGED TO CAPITAL ACCOUNT, FOR THE PERIOD JANUARY 1, 1923, TO DECEMBER 31, 1923

Engineering		$942.59
Land for transportation purposes		10,242.44
Grading		4,372.62
Tunnels and subways		13,244.58
Bridges, trestles and culverts		16,342.93
Ties		15,259.55
Rails		61,605.20
Other track material		26,564.09
Ballast		111.69
Track laying and surfacing		23,233.76
Right-of-way fences		1,923.01
Crossings and signs		442.29
Station and office buildings		10,942.34
Roadway buildings		5,468.33
Water stations		22,824.78
Shops and enginehouses		51,364.97
Telegraph and telephone lines		193.00
Signals and interlockers		236.01
Gas producing plants		2,822.08
Power distribution systems		3,799.69
Roadway machines		1,154.98
Assessments for public improvements		1,272.35
Shop machinery		25,102.62
Steam locomotives		400,114.70
Freight train cars		13,823.84
Passenger train cars	*Cr.*	*3,370.64*
Work equipment	*Cr.*	*263.76*
Other expenditures—General	*Cr.*	*229.17*
Total		$709,540.87

Deeds were executed by the Clinchfield Coal Corporation conveying the right-of-way for the Elkhorn Extension in the State of Virginia, consisting of 580.42 acres. 0.26 acre of land was purchased for passenger station grounds at Erwin, Tennessee, at a cost of $10,641.00. The value of two tracts of land located at Maytown, Virginia, which were conveyed to the Interstate Railroad by deeds dated April 14, 1922, and August 7, 1922, is recorded in the property account during the current year.

The concrete lining of Honeycutt tunnel was completed. The expenditures for the year were $17,877.62, which, in addition to $3,920.15 expended in 1922, made the total cost $21,797.77. Concrete lining of Hewitt tunnel was started and was approximately 50% completed at the end of the year at a cost of $16,397.33.

A new concrete overhead highway bridge was built near Forest City, N. C., by the State Highway Commission, to which the Railway contributed $3,333.33. Agreement was reached with the North Carolina State Highway Commission for the elimination of two bad grade highway crossings near Avery, N. C., and grading was done by the Railway at a cost of $369.82. "N. C.—Law Stop" signs were erected at all grade crossings in the State of North Carolina at a total cost of $611.00.

Concrete abutments were built at Whitney Spur bridge, near Spartanburg, S. C., at a cost of $15,258.83, eliminating a wooden trestle at that point.

Three miles of standard right-of-way fence were built at a cost of $1,923.01.

60-pound rail was replaced with 85-pound rail in side tracks as follows: On 1.6 miles in Virginia, 6.2 miles in Tennessee, 2.4 miles in North Carolina and 0.17 mile in South Carolina. On the main line 85-pound rail was replaced with 100-pound rail from mile post 37.3 to mile post 42.3; from mile post 69.2 to mile post 80.0; from mile post 197.0 to mile post 202.8; and from mile post 219.0 to 228.7, making a total of 31.3 miles replaced.

A net length of 9.31 miles of sidings was added during the period.

A new freight and passenger station was completed at Forest City, N. C., at a total cost of $8,553.65. A new brick storehouse at Erwin, Tenn., including offices for Storekeeper and General Foreman and toilet facilities for shop men, was practically completed, there having been expended on this project the sum of $54,349.33 during the year. A brick shelter shed was built at Edgewood, Tenn.,

EXPENDITURES FOR ADDITIONS AND BETTERMENTS CHARGED TO CAPITAL ACCOUNT, FOR THE PERIOD JANUARY 1, 1923, TO DECEMBER 31, 1923—*Continued*

the materials for which were donated by the industries of Kingsport, at a total cost of $1,339.92. At Spruce Pine, N. C., the station facilities were rearranged and a new station approximately 50% completed, resulting in an expenditure of $9,860.50 during the year. An extension was built to the station platform at Johnson City, Tenn., at a cost of $367.63; a five-room agent's house was built at Marion, N. C., at a cost of $2,878.39; an additional room was added to shop foreman's house at Bostic, N. C., at a cost of $326.54; a section foreman's house was built at Allen, Va., at a cost of $1,289.74; a section foreman's house was built at Miller Yard, Va., at a cost of $1,346.34; a section foreman's house was built at Thermal, N. C., at a cost of $1,289.90; three five-room houses and three four-room houses were constructed for the use of employees at Dante, Va., resulting in an expenditure of $3,631.05; a standard tool house was built at Thermal, N. C., at a cost of $196.83.

Furniture and calculating machines were purchased for various offices, at a total cost of $720.51.

Improved water facilities at Kingsport, Tenn., were nearly completed at the end of the year, resulting in an expenditure of $20,841.03. A pump was purchased for Bartlick, Va., water station, at a cost of $353.75. A well was drilled and additional water facilities at Dante, Va., nearly completed, resulting in an expenditure of $1,475.34 during the year.

A motor generator set to provide current for the operation of telegraph and telephone lines was purchased at a cost of $193.00.

A 6-horse-power motor car for extra gang was purchased, at a cost of $279.32.

Paving assessment at Erwin, Tenn., amounting to $1,272.35, was paid in full.

A 24-inch engine lathe and a driving wheel lathe were purchased for Erwin machine shop, at a total cost of $25,143.47. A cinder conveyor was installed at Spartanburg, S. C., at a cost of $3,497.14.

Ten Mallet type locomotives were rebuilt and modernized, at a cost of $709,672.08 (including interest, etc.), which, after deducting the value of the locomotives prior to their rebuilding, in the amount of $310,538.66, resulted in a net charge to the property account of $399,133.42.

One caboose car was rebuilt at a cost of $2,653.13. Thirteen new eight-wheel caboose cars were built at a total cost of $33,838.86.

The installation of electric lights in ten passenger-train cars was completed. The expenditures for the year were $7,767.61, which, in addition to $5,889.65 expended in 1922, made the total cost $13,657.26.

MAINTENANCE OF WAY AND STRUCTURES, YEAR ENDED DECEMBER 31, 1923

Total expenditures for maintenance of way and structures, $942,975.04, or $3,048.84 per mile operated.

171,198 cross ties used in maintaining existing tracks.

WEIGHT OF RAIL IN MAIN TRACK, YEAR ENDED DECEMBER 31, 1923

As Measured for Valuation of Railway

	C., C. & O. Railway			C., C. & O. Railway of S. C.		Total
	Main Line	Branches	Sidings	Main Line	Sidings	
	Miles	Miles	Miles	Miles	Miles	Miles
Owned						
105-lb. Rail	1.63	....	....	....	....	1.63
100-lb. Rail	128.79	....	....	....	....	128.79
90-lb. Rail	....	....	0.81	....	....	.81
85-lb. Rail	125.55	8.19	117.80*	18.09	6.60	276.23
80-lb. Rail	....	....	3.57	....	....	3.57
60-lb. Rail	....	2.20	16.29	....	....	18.49
45-lb. Rail	....	....	0.39	....	....	0.39
Total owned	255.97	10.39	138.86	18.09	6.60	429.91
Leased						
85-lb. Rail	2.79	....	5.39	....	....	8.18
Owned by Industries						
85-lb. Rail	....	....	12.50	....	.05	12.55
60-lb. Rail	....	....	1.36	....	....	1.36
Total owned by industries	....	....	13.86	....	.05	13.91
Total	258.76	10.39	158.11	18.09	6.65	452.00

*Includes 1.75 miles, of which 50% is owned by Southern Railway Company.

BALLAST IN MAIN TRACK ON DECEMBER 31, 1923

Additional ballast placed on track during the year 1923 as follows:

	Kentucky	Virginia	Tennessee	North Carolina	South Carolina	Total
Stone—Cubic yards	....	8,200	4,200	8,080	920	21,400

General distribution of all ballast is as follows:

	Main Line		Branch Lines	Total
	C., C. & O. Ry.	C., C. & O. Ry. of S. C.	C., C. & O. Ry.	
	Miles	Miles	Miles	Miles
Stone*	145.00	9.22	....	154.22
Stone and slag mixed	46.61	2.30	....	48.91
Slag**	63.01	6.32	10.07	79.40
Bridges	4.14	.25	.32	4.71
Total	258.76	18.09	10.39	287.24†

*In general, stone ballast used in cuts and old embankments.
**Slag used on embankments liable to settle.
†Tracks used jointly excluded.

STATEMENT OF EQUIPMENT FOR YEAR ENDED DECEMBER 31, 1923, COMPARED WITH SAME PERIOD PREVIOUS YEAR

LOCOMOTIVES

Type	Owned or Leased Dec. 31, 1923	Owned or Leased Dec. 31, 1922	Weight and Tractive Power	
			Average Weight	Average Tractive Power
Ten-wheel (4-6-0)	5	5	158,420	27,480
Consolidation (2-8-0)	2	2	175,000	41,160
Consolidation (2-8-0)	15	15	199,150	43,882
Mallet (2-6-6-2)	21	21	368,626	73,859
Mallet (2-8-8-2)	17	17	527,953	102,384
Pacific (4-6-2)	5	5	253,120	40,764
Mikado (2-8-2)	11	11	299,336	53,955
Total freight and passenger	76	76	25,404,000	4,966,830
Average	....	....	334,263	65,353
In work train	3	3		
Leased	1	1		
Total locomotives	80	80		

Number of locomotives through shop	66	52
Number of locomotives in shop being repaired and awaiting repairs at end of year	12	12
Average amount expended for repairs per locomotive in service	$7,944.76	$5,329.51
FREIGHT LOCOMOTIVES		
Number	66	66
Total tractive power, pounds	4,625,610	4,625,610
Average tractive power, pounds	70,085	70,085

PASSENGER CARS

Average amount expended for repairs and cleaning per passenger train car owned	$1,783.89
Number of passenger train cars through shop	17
Number of passenger train cars in shop at end of year	6

Owned and in Service	Construction	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1922	Increase	Decrease
Combination, baggage and mail	All steel	6	6		
Combination, baggage and express	Wooden	4	4		
	Steel underframe	2	2		
Coaches	Vestibule and Steel underframe	23	24		1
Coach, gas-electric	All steel	1	1		
Total	....	36	37		1

STATEMENT OF EQUIPMENT FOR YEAR ENDED DECEMBER 31, 1923, COMPARED WITH SAME PERIOD PREVIOUS YEAR—*Continued*

FREIGHT CARS

Average amount expended for repairs per freight car owned	$167.17
Total number of freight train cars repaired	25,265

Owned and in Service	Description	Capacity in Pounds	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1922	Increase	Decrease
Stock	Steel underframe	60,000	299	303	....	4
Box	Wooden	60,000	126	136	....	10
Box	Steel underframe	60,000	696	702	....	6
Box	Steel underframe	100,000	299	300	....	1
Flat	Wooden	60,000	41	47	....	6
Flat	Steel	100,000	100	100	....	
Gondolas	Steel	100,000	736	737	....	1
Hoppers	Steel	100,000	3,746	3,757	....	11
Hoppers	Steel	110,000	1,747	1,747	....	
Caboose	Steel underframe		40	29	11	
Totals			7,830	7,858	11	39
Net decrease						28
Tonnage capacity			374,995	376,425	....	1,430
Average tonnage capacity			48.14	48.08	.06	

WORK EQUIPMENT

Owned and in Service	Description	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1922	Increase	Decrease
Business		2	2		
Camp	Wooden	60	60		
Dump	Steel	28	28		
Pile driver	Steel underframe	1	1		
Derrick	Steel	2	2		
Steam shovels	Steel underframe	2	2		
Scoop	Wooden	1	1		
Spreaders	Wooden	4	4		
Scale test	Steel	1	1		
Cabin car	Wooden	1	1		
Totals		102	102		

EQUIPMENT PERFORMANCE FOR YEAR ENDED DECEMBER 31, 1923, COMPARED WITH SAME PERIOD PREVIOUS YEAR

	YEAR ENDED DEC. 31, 1923	YEAR ENDED DEC. 31, 1922	INCREASE	DECREASE
LOCOMOTIVES				
COST PER MILE RUN (Cents)				
Enginemen	24.07	23.10	.97	
Enginehouse expenses	7.21	7.75	....	.54
Fuel	36.75	30.24	6.51	
Water	1.34	1.41	....	.07
Lubricants	1.04	1.01	.03	
Other supplies	.76	.68	.08	
Repairs	30.94	25.04	5.90	
Depreciation and retirements	9.02	6.29	2.73	
Total cost per locomotive mile (cents)	111.13	95.52	15.61	
Pounds coal consumed per locomotive mile	275.01	252.84	22.17	
Pounds coal consumed per freight locomotive mile	327.34	312.56	14.78	
Pounds coal consumed per passenger locomotive mile	144.24	92.72	51.52	
Pounds coal consumed per mixed locomotive mile	490.54	422.87	67.67	
Pounds coal consumed per special locomotive mile	....	92.72	....	92.72
Pounds coal consumed per switching locomotive mile	171.39	154.29	17.10	
Pounds coal consumed per non-revenue locomotive mile	136.61	178.25	....	41.64
Locomotive miles per ton of coal	7.27	7.91	....	.64
Freight locomotive miles per ton of coal	6.11	6.40	....	.29
Passenger locomotive miles per ton of coal	13.87	21.57	....	7.70
Mixed locomotive miles per ton of coal	4.08	4.73	....	.65
Special locomotive miles per ton of coal	....	21.58	....	21.58
Switching locomotive miles per ton of coal	11.67	12.96	....	1.29
Non-revenue locomotive miles per ton of coal	14.64	11.22	3.42	
Locomotive miles run per pint of oil	9.15	10.48	....	1.33
Average number of locomotives in service per month	74	79	....	5
Average mileage per locomotive per month	2,284	1,773	511	
Total tons of coal consumed	278,940	212,530	66,410	
Average cost per ton of coal	$2.70	$2.39	$0.31	
PASSENGER CARS				
Pounds coal consumed per passenger train car mile	34.99	25.93	9.06	
Number passenger cars handled one mile per ton of coal	57.15	77.12	....	19.97
FREIGHT CARS				
Pounds coal consumed per freight car mile (excluding caboose)	9.73	9.78	....	.05
Number freight cars handled one mile per ton of coal	205.65	204.59	1.06	

MILEAGE STATISTICS FOR YEAR ENDED DECEMBER 31, 1923, COMPARED WITH SAME PERIOD PREVIOUS YEAR

	Year Ended Dec. 31, 1923	Year Ended Dec. 31, 1922	Increase	Decrease
Locomotive Mileage				
Of revenue freight trains	1,386,632	1,132,574	254,058	
Of revenue passenger trains	314,416	308,673	5,743	
Of revenue mixed trains	12,945	16,790	....	3,845
Of revenue special trains	....	218	....	218
Of revenue switching service	267,524	183,741	83,783	
Of non-revenue trains	47,070	39,125	7,945	
Total	2,028,587	1,681,121	351,529	4,063
Net Increase	....	....	347,466	
Train Mileage				
Of revenue freight trains	909,186	721,374	187,812	
Of revenue passenger trains	314,275	308,485	5,790	
Of revenue mixed trains	12,945	16,790	....	3,845
Of revenue special trains	....	218	....	218
Of revenue motor car	21,181	24,940	....	3,759
Of non-revenue trains	47,070	39,125	7,945	
Total	1,304,657	1,110,932	201,547	7,822
Net Increase	....	....	193,725	
Car Mileage and Statistics				
Mileage of loaded freight cars	29,053,937	21,870,369	7,183,568	
Mileage of empty freight cars	17,633,256	14,395,070	3,238,186	
Mileage of caboose cars	915,317	726,675	188,642	
Total mileage of freight train cars	47,602,510	36,992,114	10,610,396	
Mileage of passenger cars	752,079	718,821	33,258	
Mileage of sleeping, parlor and observation cars	152,940	....	152,940	
Mileage of other passenger train cars	415,511	414,100	1,411	
Mileage of motor cars	21,181	24,940	....	3,759
Total mileage of passenger train cars	1,341,711	1,157,861	187,609	3,759
Net Increase	....	....	183,850	
Mileage of non-revenue cars	207,323	142,166	65,157	
Average number of loaded cars in each freight train	31.94	30.25	1.69	
Average number of empty cars in each freight train, excluding caboose	19.39	19.93	....	.54
Average number of cars in each freight train, excluding caboose	51.33	50.18	1.15	
Percentage of loaded cars in each freight train	62.22	60.28	1.94	
Average number of passenger train cars in each passenger train	3.93	3.38	.55	

CAROLINA, CLINCHFIELD AND OHIO RAILWAY

Income accounts of controlled companies having income for year ended December 31, 1923, are as follows:

Holston Corporation:		
Expenses:		
Interest on 5 Per Cent. Realty and Collateral Trust Convertible Notes	$75,000.00	
General expenses	9,872.90	
Interest and discount	27,790.25	
Taxes	6,823.41	
Property repairs and expenses	1,606.56	
Insurance	997.40	
		$122,090.52
Income:		
Rents	$10,929.75	
Profit on real estate sold	29,258.59	
Profit from operation of St. Paul Quarry	6,135.69	
Miscellaneous earnings	124.77	
		46,448.80
Net loss for year ended December 31, 1923		$75,641.72
Spartanburg Land Company:		
Income:		
Rents		$3,865.00
Expenses:		
Taxes	$3,059.00	
Repairs	211.12	
Insurance	228.87	
General expenses	82.76	
		3,581.75
Net income for year ended December 31, 1923		$283.25

CAROLINA, CLINCHFIELD

ASSETS AND LIABILITIES OF CONTROLLED

ASSETS

CLINCHFIELD NORTHERN RAILWAY OF KENTUCKY:		
Railroad		$516,491.42
HOLSTON CORPORATION:		
Investment in real estate	$316,075.70	
Real estate improvements	229,883.73	
Investment in stocks and bonds	1,152,202.32	
Construction of Charleston Terminal	362,948.13	
Other investments	170,646.53	
Current assets—cash on hand	3,571.38	
Available assets	72,154.11	
Profit and loss	765,159.30	
		3,072,641.20
LICK CREEK AND LAKE ERIE RAILROAD COMPANY:		
Franchise		100,000.00
SOUTHPORT HARBOR COMPANY:		
Real estate	$1,999,000.00	
Profit and loss	18,103.52	
		2,017,103.52
SPARTANBURG LAND COMPANY:		
Real estate	$747,602.00	
Carolina, Clinchfield and Ohio Railway deposit account	7,486.28	
		755,088.28

AND OHIO RAILWAY

COMPANIES AS OF DECEMBER 31, 1923, ARE AS FOLLOWS:

LIABILITIES		
CLINCHFIELD NORTHERN RAILWAY OF KENTUCKY:		
Capital stock	$5,000.00	
First Mortgage Bonds	500,000.00*	
Carolina, Clinchfield and Ohio Railway advances	9,342.23	
Additions to Property through Income and Surplus	2,149.19	
		$516,491.42
HOLSTON CORPORATION:		
Capital stock	$750,000.00	
Five Per Cent. Realty and Collateral Trust Convertible Notes	1,500,000.00	
Current liabilities	686,738.71	
Deferred credit items	135,902.49	
		3,072,641.20
LICK CREEK AND LAKE ERIE RAILROAD COMPANY:		
Capital stock	....	100,000.00
SOUTHPORT HARBOR COMPANY:		
Capital stock	$2,000,000.00	
Carolina, Clinchfield and Ohio Railway advances	17,103.52	
		2,017,103.52
SPARTANBURG LAND COMPANY:		
Capital stock	$750,000.00	
Profit and loss	5,088.28	
		755,088.28

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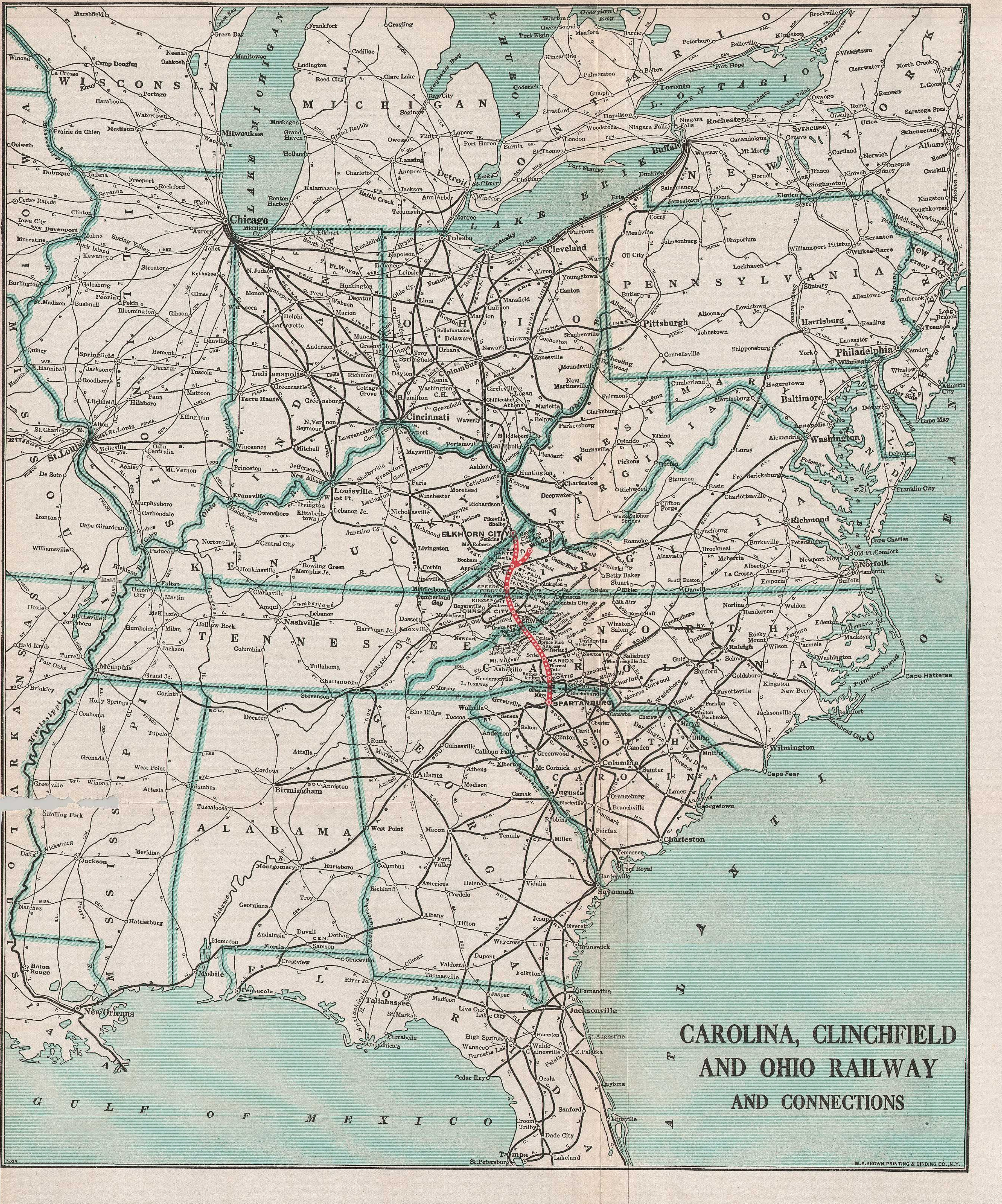
*Owned by Carolina, Clinchfield and Ohio Railway.



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CAROLINA, CLINCHFIELD AND OHIO RAILWAY AND CONNECTIONS

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